

State of Alaska FY2003 Governor's Operating Budget

Department of Administration Tax Appeals Component Budget Summary

Component: Tax Appeals

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Component Mission

To offer independent and cost-effective adjudication of tax and administrative appeals.
(Differs from CH90, SLA2001).

Component Services Provided

- Conduct hearings and issue final administrative decisions in all taxpayer appeals from informal conference decisions of the Department of Revenue.
- Conduct hearings and issue recommended or final decisions, as provided by law, in appeals to the Commissioner of the Department of Administration in procurement, longevity bonus and personnel matters.
- Hear and decide administrative appeals referred by other departments.

Component Goals and Strategies

FOSTER PUBLIC CONFIDENCE IN THE FAIRNESS AND EFFECTIVENESS OF THE ADMINISTRATIVE APPEALS PROCESS

- Streamline procedures in small appeals and use telecommunications technology to provide fair hearings where the cost of in-person hearings is prohibitive;
- Facilitate public access to final decisions and administrative law by publishing decisions on the Internet.

PROVIDE INCREASED HEARING SERVICES TO OTHER AGENCIES

- Provide timely, cost-effective hearings by impartial hearing officer in appeals that are voluntarily referred to the Office of Tax Appeals (OTA) by other departments.

Key Component Issues for FY2002 – 2003

- OTA depends on interagency receipt funding for hearing services in order to fully fund the full-time hearing officer position that is needed, in addition to the Administrative Law Judge position, to provide timely hearings and decisions in non-tax cases. Actual receipts from agencies that voluntarily refer appeals to OTA for hearing have been below the budgeted interagency receipts needed to cover the hearing officer salary.

Major Component Accomplishments in 2001

- Continued to provide timely hearings and decisions in administrative appeals despite a growing caseload of non-tax appeals and no budget increase.

Statutory and Regulatory Authority

AS 43.05.400-499	Tax Appeals
AS 36.30.595-680	Procurement
AS 47.45.050	Longevity Bonus
AS 39.25	State Personnel Act

Tax Appeals

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	202.3	196.8	200.5
72000 Travel	2.1	7.5	7.5
73000 Contractual	13.7	16.7	16.7
74000 Supplies	1.5	3.0	3.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	219.6	224.0	227.7
Funding Sources:			
1004 General Fund Receipts	181.8	183.2	186.7
1007 Inter-Agency Receipts	36.6	40.8	41.0
1053 Investment Loss Trust Fund	1.2	0.0	0.0
Funding Totals	219.6	224.0	227.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	36.6	40.8	30.5	41.0	18.0
Investment Loss Trust Fund	51393	1.2	0.0	0.0	0.0	0.0
Restricted Total		37.8	40.8	30.5	41.0	18.0
Total Estimated Revenues		37.8	40.8	30.5	41.0	18.0

Tax Appeals**Proposed Changes in Levels of Service for FY2003**

No changes proposed.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	183.2	0.0	40.8	224.0
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	3.5	0.0	0.2	3.7
FY2003 Governor	186.7	0.0	41.0	227.7

Tax Appeals

Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	2	2	Annual Salaries	154,026
Part-time	1	1	COLA	4,181
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	48,773
			<i>Less 3.12% Vacancy Factor</i>	(6,465)
			Lump Sum Premium Pay	0
Totals	3	3	Total Personal Services	200,515

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	0	0	1	0	1
Administrative Law Judge	0	0	1	0	1
Hearing Officer	0	0	1	0	1
Totals	0	0	3	0	3